

4370

MORTGAGE

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38-156
The MORTGAGORS, Z X RANCH, a Kansas Partnership, consisting of Z X Ranch, Inc., a corporation, and Ranch Enterprises, Inc., a Nevada corporation; and also by Z X RANCH, Kansas corporation, C. L. PATTERSON, NICHOLAS M. SAIGO, THEODORE R. CONN, HUGH HALFF, JR., C. L. LINTH

to THE TRAVELERS INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Connecticut, hereinafter called the MORTGAGEE, the following described real estate, premises and property situate in the County of Lake and Klamath and State of Oregon, to-wit:

10221

Federal Range Lands and Improvements Thereon

Federal Range Lands and Improvements _____ acres of

In addition to the lands described above and _____, which leases State Lands leased from the State of _____, are separately assigned to the Company as additional security for the note secured hereby, mortgagor holds (indicate Class I, II, etc.) Class I permit from the United States under the Taylor Grazing Act on _____ acres of Federal range. For 4,000 AUM's in Paisley Unit, Lakeview, Oregon Grazing District.

It is the intent of the mortgagor and the Company that said ranch unit shall constitute the security for the note described above and in order to include said Federal range and the improvements thereon as a part of the security, mortgagor hereby agrees with the Company, with respect to said Federal range and the improvements thereon, as follows:

_____ all such permits in full force and _____ with all

- (a) The mortgagor shall keep all such permits in full force and effect by paying all sums due thereunder, complying with all the terms and conditions thereof and laws, rules and regulations applicable thereto, and apply for all renewals and extensions thereof until the note secured hereby is paid. In default thereof, the Company may, at its option, declare the entire balance of the mortgage debt immediately due and payable and foreclose this mortgage and any collateral assignments of leases or may remedy any such default and pay any sums due on account of said permits and all such sums shall immediately be due and payable and shall, with interest at the rate of ~~eight~~ ^{twelve} (12) percentum per annum from date of payment until repaid by mortgagor, be secured hereby.
- (b) Upon default in the payment of any part of the indebtedness secured hereby, whether principal or interest, or if default be made in any conditions, stipulation or covenant in this mortgage, then the Company shall have the same rights with respect to such Federal range and the authorized improvements thereon as are provided herein with respect to the land described above. Upon foreclosure and sale of the lands described above, title to the improvements on the Federal range, together with mortgagor's right to be paid the reasonable value thereof shall pass free of all encumbrances to the purchaser at such sale, and the Company is hereby authorized to then execute, in behalf of mortgagor, a bill of sale for such improvements and a waiver of mortgagor's right to be paid the reasonable value thereof.

thereof, that they have the right to mortgage same, that the said lands and premises are free and clear of all encumbrances and charges whatsoever, and that the Mortgagors will and their heirs, executors, administrators, vendees and assigns shall forever warrant and defend the title to the said premises against all claims whatsoever, and the Mortgagors hereby further covenant and agree that the lien created by this instrument is a first and prior lien on the above described lands and improvements.

2. They will pay said note according to its terms.

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(Over)

BY

Nicholas M. Salgo

Theodore R. Conn

Neena, Indragiri, Jr

Hugh Halff, Jr.